

DIRECTORATE OF INTELLIGENCE

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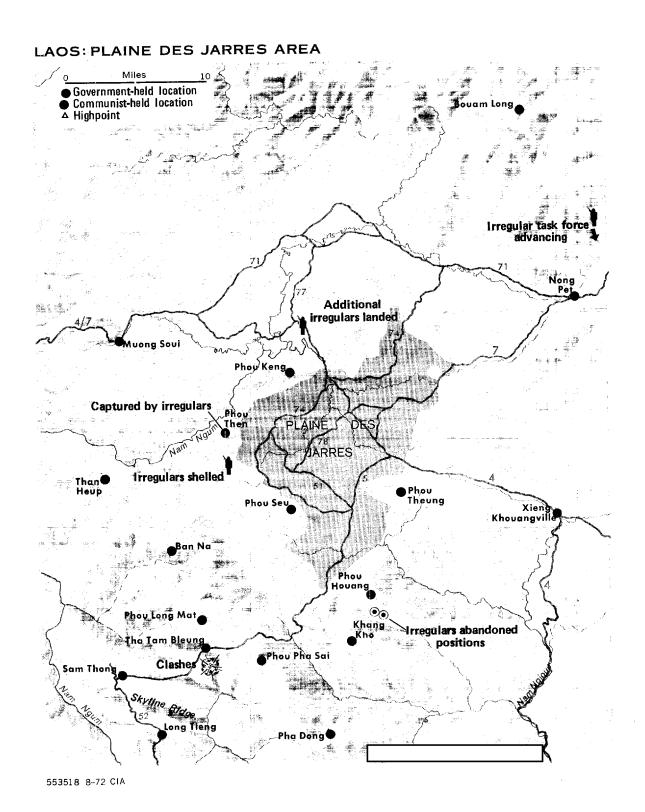
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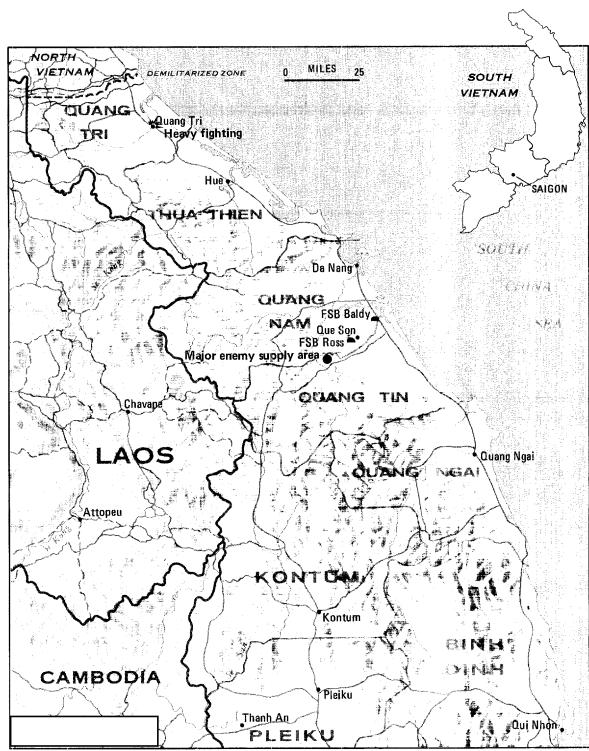
LAOS: Vang Pao's offensive to recapture the Plaine des Jarres is encountering its first determined Communist resistance.

North Vietnamese forces shelled and attacked several irregular positions on three sides of the Plaine on 25-26 August. In the most serious action, irregulars were forced to abandon two positions near Phou Houang and are now regrouping about three miles to the south. Other sharp clashes occurred near Phou Keng, Phou Then, and Tha Tam Bleung.

Three additional irregular battalions have been airlifted into positions near Phou Keng, north of the Plaine, to reinforce the three battalions that have been stalled there since they were deployed nearly a week ago. The combined force has now begun to move toward its objectives on the Plaine's northern edge.

The government's 15-day-old offensive has made scant progress despite the fact that the Communists offered little resistance until two days ago. Several days of bad weather hampered tactical air support and resupply flights, without which the irregulars had shown little inclination to advance. Only the task force moving south from Bouam Long toward Communist supply lines northeast of the Plaine had advanced appreciably before an improvement in the weather on Saturday led to a successful assault on Phou Then, a hill overlooking the Plaine's western edge.

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VIETNAM: Government troops are continuing to regain territory in Quang Nam Province, but there are signs that the Communists are preparing for heavier fighting.

South Vietnamese forces in Que Son District capital repulsed a series of counterattacks yesterday with the help of heavy air strikes. A government task force has linked up with advance elements that captured the town on Friday and has cleared some of the high ground overlooking Que Son. Substantial Communist artillery fire is being directed against the government's field command at Fire Support Base Baldy, and enemy ground resistance is stiffening as the South Vietnamese near enemy-held Fire Support Base Ross.

A major Communist supply and assembly area and possibly eight tanks have been spotted about ten miles southwest of Que Son.

the area is stocked with large amounts of ammunition and foodstuffs evidently intended to support a major enemy effort in the coastal region.

The Communists reportedly are making extensive use of forced labor from the local population to carry out road repairs and keep supplies moving in this area the recent fighting in Que Son Valley has added some 30,000 people to the enemy's labor pool. Another 30,000 persons have fled to government-held areas near the coast.

In Quang Tri Province, sporadic heavy fighting occurred near the eastern side of Quang Tri City's citadel over the weekend as South Vietnamese Marines pressed their campaign to clear the Communists from around this portion of the fortress. Some 4,400 rounds of artillery and mortar fire were directed at government positions in and around the city on Saturday and Sunday, causing only light government losses.

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GUATEMALA-UK: A new effort to resolve the long-standing dispute over British Honduras will come on 26 September, when Guatemalan Foreign Minister Herrera will meet with the British foreign secretary in New York.

Herrera reportedly will suggest resumption of negotiations on Guatemalan conditions for granting the colony independence. The Guatemalan price for returning to the negotiating table is London's agreement to reduce its troop strength in the colony from the present 600-700 men to the 200-300 there in previous years.

Tensions between the two countries have relaxed considerably since March, when Guatemala feared that a move toward British Honduran independence was under way and Britain feared that a Guatemalan invasion was imminent. There are no indications that the UK is planning to grant independence, and Guatemala will not invade unless independence is near. Despite the hopeful signs, President Arana would probably like to forget about British Honduras for the remaining two years of his term. In the absence of bold new initiatives from London, chances of an agreement on the colony's future are therefore dim.

AFGHANISTAN: The cabinet, despite its weak performance, may well stay in power until elections next summer, according to an assessment by the US Embassy.

Because political leaders in Parliament have been unable to compromise on a bill that would require civil servants to speak Pushtu, non-Pushtu speakers have boycotted sessions. The lower house has achieved its two-thirds quorum only twice in almost six months and has dealt with no important economic legislation.

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minister has been avoiding government business for about ten days and other senior officials are fairly tree to make disparaging remarks about the government.

The King, who prefers to operate behind the scenes, is either unable or unwilling to remedy the situation. He could dissolve Parliament and call for early elections, but the embassy notes this would not be consistent with his "non-style." He may make some changes in the cabinet, but an entirely new cabinet might be even less effective than the present one.

EGYPT-USSR: A review of developments since President Sadat announced the withdrawal of Soviet advisers.

#### Summary

The Soviet withdrawal from Egypt, one month after President Sadat's dramatic announcement on 18 July, is proceeding steadily. The bulk of the 13,000 military personnel in Egypt at the time of Sadat's expulsion order has been withdrawn. Most Soviet hardware has either been withdrawn or turned over to the Egyptians. The evacuation may extend even to the Soviet land-based naval support personnel at Egyptian ports.

Egyptian-Soviet relations, in the meantime, are cool, but both countries view it as in their interests to keep this strain under control. Egypt's view, efforts to maintain the friendship between the two countries will help to ensure a sustained flow of Soviet military and economic aid; in the Soviet view, such efforts will limit the damage to Moscow's prestige and may ease the adverse impact on its strategic position in the Middle East. Nevertheless, the nature of the expulsion militates against any easy resolution of the current difficult period in the relationship. The coming period of adjustment is likely to be painful for both sides, and could well result in further frictions and recriminations before a new basis for their relationship is achieved.

The Soviet setback has thus far had no measurable impact in the Soviet Union. Moscow's Middle East policy has been controversial at home, however, and while Brezhnev's political position appears strong, this significant reverse, in conjunction with Moscow's current agricultural difficulties, could provide ammunition for future criticism of the

leadership. Sadat also faces domestic problems and apparently hopes that his action will bring movement of some sort to the Arab-Israeli impasse. The Soviet expulsion has been generally popular in Egypt, and Sadat has bought himself some time against his domestic critics, who have been chafing under the nowar, no-peace situation. But his move was a gamble that could, if no serious diplomatic movement results, leave him more vulnerable than before 18 July.

#### The Withdrawal

The Soviets have withdrawn the TU-16 Badgers and the remaining aircraft of the naval reconnais-sance unit which they introduced into Egypt in 1968.

The TU-16 Badger G missile-configured aircraft, which arrived in Egypt in November 1971, apparently remain, and may have been given to the Egyptians. The Egyptians also may have taken over some of the air-to-surface missiles for these planes.

The Soviet withdrawal does not appear to have affected either military aid shipments or Soviet economic and training programs in Egypt. Egypt is, nonetheless, looking elsewhere for military aid, probably in an effort both to broaden its ties with the West and to diversify its sources of arms.

#### Egyptian-Soviet Relations

The continuing strain in Egyptian-Soviet relations has begun to surface as Soviet media have reacted to criticism of the Soviet Union in the Egyptian press. The Soviet weekly New Times singled out Ihsan abd al-Quddus, whose articles in the Egyptian press have been particularly outspoken, charging him with anti-Soviet propaganda. Pravda and Izvestia

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have also voiced concerns about Egyptian policy. Quddus has responded to the Soviet criticism by questioning the motives behind it. He said Moscow had no right to forestall any attempt Cairo may make to regain its occupied territories.

Sadat has long-standing grievances against the Soviets, which undoubtedly contributed in large measure to his move against them, and these grievances must still rankle. The no-war, no-peace situation grates on the Egyptians, and Moscow's refusal to underwrite a serious military venture, as well as its reluctance to answer Egypt's entreaties for more sophisticated military hardware, galled Cairo's leaders. Moscow has privately made clear its own bitterness toward, and even contempt for, the Egyptians.

Although recriminations have become more open, both sides seem anxious to preserve other important aspects of their relationship. The Egyptians' press criticism of Moscow has been balanced to some degree by calls for continuing friendship. Sadat has asserted that he merely wants to change, not destroy, the Soviet alliance, and Egyptian War Minister Sadiq was prominently displayed presenting medals to departing Soviet advisers on 3 August. A delegation from Egypt's People's Assembly visited Moscow on 2 August, and the Cairo press reports that a Soviet Communist Party delegation will travel to Egypt later this month.

Each country must still rely on the other in the pursuit of its major interests. Cairo needs continued Soviet military and economic support, and it will no doubt attempt to preserve these aspects of its relationship with Moscow. Moscow, on the other hand, clearly hopes, through rapid execution of the withdrawal, to limit the political damage not only in Egypt but also in the other Arab countries. The danger of another embarrassing expulsion

of Soviet training personnel by Syria, Yemen (Sana), or other Arab states must be real enough to compel Moscow to avoid public controversy and conspicuous foot-dragging.

Cairo has been the keystone of Soviet policy in the Middle East for many years; to allow this setback to lead to a complete rupture or to acknowledge the disintegration of Soviet-Egyptian ties would have unpredictable consequences for the Soviet position in the Middle East and elsewhere in the third world as well. Finally, Moscow has a sizable economic stake in Egypt that it does not wish to risk with a rash move.

It was presumably with these considerations in mind that Soviet party chief Brezhnev recently sent a message to Sadat. Although the Cairo press initially described the message as paving "the way for political contacts at the summit level between Egypt and the USSR," an Egyptian spokesman later characterized it "as opening no new roads." The Soviet Foreign Ministry official responsible for Egyptian affairs has confirmed that Brezhnev turned down an Egyptian proposal for a senior-level meeting by counter-proposing a meeting "at the working level," and discounted any likelihood of a summit in the near future. It is doubtful, in fact, that such a meeting at this stage would accomplish much beyond maintaining the veneer of friendship. The Soviets will certainly not be prepared at any time soon to offer Egypt weapons or aid that they refused before 18 July, and this alone will prevent far-reaching repairs to relations between the two countries.

#### The Longer Term

The longer range impact of the Soviet expulsion, from both points of view, is more difficult to assess. Official Egyptian statements have offered no

new ideas regarding the stalemate with Israel. Cairo seems to expect that its action will somehow serve to bring movement to the situation, but it does not appear to have in sharp focus a concept of how this could be accomplished. Foreign Minister Ghalib in a recent conversation with the British ambassador expressed the hope that Britain would positively support a solution to the Arab-Israeli problem and not "merely stand by with its arms crossed." He noted also that he would be pleased to see further action by the UN and hoped that the Soviet departure would encourage some new European peace initiative. Egypt has indicated it may launch a new diplomatic offensive prior to the fall session of the UN General Assembly.

The Soviet exodus could, in fact, give Egypt the opportunity to broaden its ties with other nations. Cairo has in recent years cultivated relations with nations outside the Communist bloc, particularly in Western Europe, for the purpose of ending its virtually total dependence on the Soviet Union. This process is now likely to be given added impetus as Cairo seeks new sources of aid and support.

Domestically, Sadat's action has removed one of the major causes of unhappiness. Criticism of the Soviet role in Egypt, and consequently of Sadat, had reached a peak before Sadat's mid-July move. Civilians—students, a group of once-prominent political and military figures led by former vice-president Zakariya Muheyddin, and other prominent figures such as al-Ahram editor Muhammad Haykal—had frequently expressed their concern over the country's overdependence on Moscow and questioned the Soviet role. The Egyptian military was also reportedly critical of Soviet activities in their country.

Sadat now appears to have bought himself a temporary respite from his most pressing domestic criticism, but other difficult issues remain unresolved,

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and these could be on center stage again before long. Without tangible progress toward resolving the dispute with Israel, new complaints over the no-war, no-peace situation will soon be heard. A new academic year begins in September, and Sadat must be concerned over a renewal of student protests about the lack of either diplomatic or military action. These and other pressures will not make life comfortable for Sadat in the near future, and he will be urged to offer new spirals of excitement to contain domestic frustration and dissatisfaction with his leadership.

After the debacle in Egypt, Moscow is likely to be even more chary of extensive economic and military commitments in the third world. Still, in the longer term, the Russians will not abandon their efforts in the Middle East and, indeed, will endeavor to shore up their positions in other Arab states, particularly Iraq and Syria. They will probably also give more attention to such conservative Middle Eastern states as Iran and Jordan.

The Kremlin's Middle East policy has been controversial for years, probably causing as much dispute among the leadership, and as much public resentment of money spent, as any foreign undertaking. Brezhnev has avoided the kind of personal commitment and leading role vis-a-vis Egypt that he has assumed with the US and West Germany, and successes in those areas have strengthened his position. The Egyptian setback, therefore, does not constitute a major threat to him. Nevertheless, at a time when the leadership faces economic problems at home, this is a costly reverse that will provide ammunition for critics. If the policies of Brezhnev and the other Politburo seniors, Kosygin and Podgorny, backfire in other areas, the Egyptian fizzle could eventually weigh heavily against them.

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Neither Cairo nor Moscow emerges from the recent developments with its house entirely in order. Sadat's domestic position is difficult at best, and without some movement on the diplomatic scene his expulsion of the Soviets, notwithstanding its general popularity in Egypt, will not long keep his domestic critics at bay. With Egypt's military strength diminished as a result of the Soviet departure, Sadat could then find his position far less tenable than before 18 July.

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